

Head 272 - District Secretariat, Kurunegala

1 Financial Statements

1.1 Opinion

The audit of the financial statement of the District Secretariat, Kurunegala for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 and the statement of financial performance and cash flow statements for the year then ended, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act, No. 19 of 2018. The summary report including my comments and observations on the financial statements of the District Secretariat, Kurunegala was issued to the Accounting Officer on 31 May 2021 in terms of Sub-section 11 (1) of the National Audit Act, No. 19 of 2018. The Annual Detailed Management Audit Report relating to the District Secretariat was issued to the Accounting Officer on 23 June 2021 in terms of Sub - section 11 (2) of the National Audit Act, No. 19 of 2018. This report will be tabled in Parliament in pursuance of provisions in Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No. 19 of 2018.

In my opinion, the financial statements of the District Secretariat, Kurunegala give a true and fair view of the financial position of the District Secretariat, Kurunegala as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuS). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibilities of the Chief Accounting Officer and the Accounting Officer for the Financial Statements

The Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions in Section 38 of the National Audit Act, No.19 of 2018 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per Sub-section 16(1) of the National Audit Act, No. 19 of 2018, the District Secretariat is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Secretariat.

As per Sub-section 38 (1) (c) of the National Audit Act, the Accounting Officer shall ensure that effective internal control system for the financial control of the District Secretariat exists, and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out.

1.4 Auditor's Responsibility for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue the audit report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Secretariat's internal control.
- Evaluate the structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accounting Officer regarding, significant audit findings, any significant deficiencies in internal control and other matters that I identify during my audit.

1.5 Report on Other Legal and Regulatory Requirements

I express the following matters in accordance with Section 6 (1)(d) of the National Audit Act, No. 19 of 2018.

- (a) The financial statements have been prepared in consistent with the preceding year.

- (b) The recommendations made by me on financial statements relating to the preceding year, had been implemented.

2. Financial Review

2.1 Utilization of Provisions made available by other Ministries and Departments

Audit observations made in this connection are given below.

Audit Observations	Comments of the Accounting Officer	Recommendation
(a) Out of provision made available by 09 Ministries and 02 Departments under 14 and 03 Objects respectively, provision amounting to Rs.8,872,101 had not been utilized and it represented a high value ranging from 75 per cent to 100 per cent of provision made available.	Cancellation of provision from 09 Ministries and 02 Departments, cancellation of planned programmes and the Corona pandemic has affected the inability to conduct programmes and to mobilize people therefor.	(i) Proper arrangement should be made to obtain provision made available by other Ministries and Departments as early as possible. (ii) Action should be taken to utilize provision to the maximum.
(b) Out of provision made available by 10 Ministries and 04 Departments under 21 and 05 Objects respectively, provision totalling Rs. 6,685,970 had not been utilized and it represented a value ranging from 50 per cent to 75 per cent of provision made available.	-do-	-do-
(c) Expenditure amounting to Rs. 4,559,787 had been incurred for 24 Objects exceeding provision made available by 08 Ministries, 03 Departments 01 Commission in the year 2020 and it represented a value ranging from 100 per cent to 157 per cent.	Excess expenditure have been settled by making the said payments due to delay in receiving provision from relevant Ministries and Departments and those are essential expenditure.	Expenses should not exceed the provision made available by Ministries and Departments.

2.2 Non-compliance with Laws, Rules and Regulations

Instances of non-compliance with provisions in laws, rules and regulations observed during the audit test checks are analysed below.

Observation -----	Non-compliance -----	Comments of the Accounting Officer -----	Recommendation -----
Reference to Laws, Rules and Regulations -----			
(a) Gazette Notification ----- Gazette Extraordinary No. 1600/18 of 06 May 2009	Even though a boulder situated in a state land within the area of authority of the Kurunegala Divisional Secretariat, had been leased out, charges for 8,087 cubes of granite had not been recovered since the year 2015.	Arrears of lease rental of Rs. 65,000 had been recovered on 06 May 2021 and the total arrears of lease rental for the year 2020 will be recovered.	Charges should be recovered in leasing out as per the Gazette Notification.
(b) Public Administration Circulars ----- Combined Service Circular No. 2002/01 of 19 June 2002	Even though officers who have worked more than 5 years in the same work place should be transferred, action had not been taken for annual transfer of 3,132 officers who have been working in the same work place for a period between 05 and 19 years.	Officers who had applied for annual transfers and served more than 05 years in the same work place, have been transferred at their request and action will be taken to transfer other officers as well in future.	Officers should be transferred in terms of conditions of the Public Administration Circulars.
(c) Circular No. 01/2019 of 06 December 2019 of the Ministry of Finance, Economy and Policy Development	Even though the Divisional Secretariat, Kurunegala had identified 147 projects relating to 05 areas under the “Sapiri Gamak” Community Based Rural Development Programme in the year 2020, an expense of Rs.97,308,263 representing 94 per cent out of Rs. 103,414,716 incurred in the year had been utilized only for construction of roads.	Even though in the identification of projects, 09 areas to be developed had been indicated, projects have been selected on the concurrence of rural committees and priorities of the Division.	Action should be taken to select projects so as to adequately cover all 09 areas.

2.3 Transactions of Fraudulent Nature

The particulars of transactions of fraudulent nature observed during the course of audit are given below.

Audit Observations	Recommendation	Comments of the Accounting Officer
<p>(a) Nine road development projects at an estimated cost of Rs.611.13 million had been executed on direct labour basis by the Road Development Department, North Western Province under the provision granted to the District Secretariat, Kurunegala in the year 2019 under the Rural Infrastructure Development Programme. The following matters were observed in the audit test checks carried out in this connection.</p> <p>(i) A proper approval had not been received to execute these projects on direct labour basis deviating from competitive procurement procedure.</p> <p>(ii) The Road Development Department, North Western Province was not equipped with facilities including labourers, machinery required for carrying out these projects on direct labour basis and under such circumstances, those projects had been assigned to the said Department itself.</p> <p>(iii) The procurement process for supplying materials and machinery required for the said road project had been implemented deviating from Government Procurement Guidelines including failure to carry out with transparency, restriction of the competition, and making purchases without proper authority and contrary to</p>	<p>(i) The loss sustained by the Government should be recovered from officers responsible therefor.</p> <p>(ii) Procurement procedures should be followed in a manner of reaping maximum economic benefits to the Government and in terms of procurement laws and rules.</p>	<p>It is difficult to comment on this paragraph due to failure in reply by the Chief Secretary of the North Western Provincial Council.</p>

North Western Provincial
Financial Regulation 419.

- (iv) In the purchase of 04 main types of raw materials for projects, purchases had been made at higher rates than the normal prices in the market. As such, a sum of approximately Rs.153.75 million had been lost to the Government.
- (b) A sum of Rs. 6,928,609 had been overpaid due to failure in carrying out activities such as laying concrete, removal of soil from the surface of the tank bund, and filling the tank bund with soil, removal of silt, digging bordered canals, laying sods by Technical Officers and other officers responsible therefor in a proper manner in the reconstruction of eleven tanks belonging to the Polpithiganma Divisional Secretariat, under the Rural Infrastructure Development Programme.
- (c) Even though an illegal quarrying activity has been operated for over a period of 10 years in a state land belonging to the area of the authority of Kuliapitiya (West) Divisional Secretariat Division, the Divisional Secretariat had not been made aware thereon. As such, it was observed that the royalty due to be received during the period of 10 years had been lost to the Government.
- (d) According to notes of the Economic Development Officer in charge of the project of deepening the Boghamula tank at Amunukole, Polpithigama, a number of 4,786 tractor loads or 3,382 cubes had been piled for auctioning under the Rural
- Action should be taken in terms of provisions in Financial Regulation 156(1) by examining on overpayments.
- Action is being taken to recover a sum of Rs.2,438,195 by considering shortcomings pointed out by the Audit. In the estimation, rates given in the Rate Book had been considered as accurate rates and even though the rates applied in the year 2018 had not been considered as inaccurate rates, those have been considered as accurate rates.
- (i) Dues receivable to the Government should be recovered and legal action should be taken in respect of illegal quarrying.
- (ii) Current internal control systems should be strengthened for identification of activities including illegal quarrying carried out in state lands.
- The Divisional Secretary has been informed to take action to submit accurate information by paying special attention towards the matters pointed out by the Audit and to recover

- Infrastructure Development Programme. Nevertheless, the Technical Officer had auctioned those at Rs.600 each by indicating as 1,670 cubes and as such, a sum of Rs.1,027,200 had been deprived of. Moreover, even though the other officers who were at the auction, were able to prevent such action, they had neglected it.
- (e) A sum of Rs. 1,301,682 had been paid for activities in the measuring sheet submitted in the year 2019 such as cleaning the tank, removal of 220 cubic metres of soil from the surface of the tank bund, digging bordered canals of 12 cubic metres, transporting 96 cubic metres of excavated soil by the tractor and applying and compacting on the tank bund, excavating and dumping of 1,170 cubic metres of silt and erecting name boards, in addition to activities indicated as completed in the measuring sheet submitted in the year 2018 by the Technical Officer for the reconstruction of Palubalagolla Tank at Polpithigama under the Rural Infrastructure Development Programme. However, it is confirmed through the notes of Economic Development Officer who had monitored work sites that activities such as cleaning the tank, compacting by using roller and hand rammer, erecting the name board to the total value of Rs.33,000 were the activities actually carried out and it was observed that a sum of Rs.1,268,682 had been certified and overpaid.
- (f) In the reconstruction of tanks under the Rural Infrastructure Development Programme, estimates had been prepared by using inaccurate rates. Even though Technical Officers had identified that those rates were
- in the Establishments Code in respect of relevant officers.
- Action should be taken in terms of provisions in Financial Regulation 156(1) by examining on overpayments.
- The Divisional Secretary, Polpithigama has been instructed to recover the overpayment of Rs.1,268,682 before 31 March 2021 and to advise the Technical Officer who had taken action in an irresponsible manner.
- Do-
- The Divisional Secretary, Polpithigama has been instructed to advise the Technical Officer as the said error has occurred due to his negligence.

erroneous at the time of making payments for bills, a sum of Rs.5,198,933 had been overpaid for 05 tanks without taking action to rectify those rates.

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| (g) | A sum of Rs.1,325,869 had been overpaid due to failure in using accurate rates in the reconstruction of two tanks located in Polpithigama Divisional Secretariat Division under the Gamperaliya Development Programme. | -Do- | In the estimation, rates given in the Rate Book had been considered as accurate rates and even though the rates applied in the year 2019 had not been considered as inaccurate rates, those have been considered as accurate rates. |
| (h) | Four road construction projects had been executed by the Road Development Department, North Western Province under the provision made to the Mahawa Divisional Secretariat under the Sapiri Gamak Development Programme. The following matters were observed at the examination of Nagollagama Estate Road Development Project at an estimated cost of Rs. 02 million of those projects. | (i) | Payments should be made according to actual work done and actual rates. |
| | (i) Contrary to provisions of Public Finance Circular No.1/2012 of 05 January 2012, the said contract had been awarded to a Farmers' Organization which is outside the jurisdiction of Associations and not equipped with adequate financial and other facilities. | (ii) | In awarding procurements to Community based Organizations, action should be taken in terms of provisions in Public Finance Circular No.01/2012. |
| | (ii) Moreover, contrary to provisions of the said circular, it had been awarded to the Technical Officer who prepared cost estimates of the project, and supervised and prepared survey reports, as a sub-contract at a commission of 05 per cent by the Farmers' Organization. | (iii) | Project estimates should be prepared accurately. |
| | | (iv) | Current internal control system thereon should be strengthened. |
| | | | Replies relating thereto had not been received from the Provincial Department of Road Development. |

- (iii) Requests had been made for obtaining overpayment amounting to Rs. 298,893 by indicating inaccurate expenses on transport of raw materials including soil, gravel, ABC required for the project, according to the receipt made available for payments.

2.4 Issuance and Settlement of Advances

Audit Observation	Comments of the Accounting Officer	Recommendation
Balances amounting to Rs.538,519 relating to 5 officers in Divisional Secretariats had not been recovered even by 31 December 2020. Out of those balances, a sum of Rs.410,436 had been brought forward for over a period of 5 years and Rs.302,994 of that had been older than 10 years.	The loan balance recoverable from five officers who had left the service had been Rs.538,519 and loan balance of three officers from among them had been older than 5 years and action is being taken to recover those loan balances.	Effective measures should be taken to recover loan balances remained unrecovered.

2.5 Deposit Balances

Audit Observation	Comments of the Accounting Officer	Recommendation
Retention money amounting to Rs.3,682,069 for contracts operated under the Account No. 6000-0-0-16-0-42 in the District Secretariat, and Udubaddawa, Narammala, Polpithigama and Rasnayakapura Divisional Secretariats had been retained in the General Deposit Account within a period between 2 and 5 years and action had not been taken in terms of Financial Regulation 571(3).	Action is being taken to rectify shortcomings in retention moneys and settle them expeditiously, retained in the District Secretariat and several divisional secretariats for a period between 2 and 5 years.	Action should be taken in terms of Financial Regulation 571 in respect of lapsed deposits.

3. Operating Review

3.1 Non-achievement of expected Level of Output

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>In the development of two roads valued at Rs.4,000,000 by laying tar, under the “Sapiri Gamak” Programme of the Wariyapola Divisional Secretariat, direct laying had been done on the road with the help of a tipper without mixing ABC. Laying 245 cubic metres in 128 places on two roads as mixing, could not be accepted in audit.</p> <p>Out of these two roads, one road was laid with only ABC. Even though it should be laid with a thickness of 225 mm of ABC, it was observed at the physical inspection that the thickness of ABC had been about 150 mm in 05 places. The second road had been compacted after thickly laying with ABC. Even though the thickness thereof should be 150 mm, it was observed in the physical inspection that the thickness had been 120 mm in 06 places.</p>	<p>The Divisional Secretary, Wariyapola had notified the Assistant Secretary of the Wariyapola Pradeshiya Sabha in this connection on 02 February 2021. However, no reply had been received. Replies will be obtained and submitted in future.</p>	<p>(i)The existing internal control systems should be strengthened for the accurate and efficient performance of duties of the Economic Development Officer relating to supervision of the project.</p> <p>(ii)Projects should be executed with quality in terms of estimates.</p> <p>(iii)Payments should be made after taking correct measurements.</p>

3.2 Non-achievement of expected Outcome

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>A cultivation well and a water tank had been constructed under the Wadugedara Water Project belonging to the Divisional Secretariat Division, Kuliyaipitiya (West) indicated to be completed by spending a sum</p>	<p>The well had become unclean as there is no way of using water from this well at present. Nevertheless, construction of a well close to the remaining well will be planned by the water project</p>	<p>Projects should be executed after carrying out a feasibility study.</p>

of Rs.10,000,000. However, the said well had not been made use of for supplying drinking water.

3.3 Projects abandoned without completing

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Provision of Rs.1,975,515 had been made for constructing an anicut across the Polpithigama-Millagoda Kaduru Ela Bridge under the Rural Infrastructure Development Programme. However, this project had been abandoned without completing.	The project could not be implemented due to torrential rains.	Projects should be planned so as to execute them in time.
(b) Two projects valued at Rs.1,500,000 recommended by the Rural Committee of the Divisional Secretariat, Kurunegala had not been implemented.	The Commissioner of the Municipal Council has notified that despite having made recommendations by Rural Committees, the 02 projects could not be implemented.	-do-

3.4 Delays in the Execution of Projects

Audit Observation	Comments of the Accounting Officer	Recommendation
In acquisition of 2,473 blocks of land to the Government in the Divisional Secretariat Division, Kurunegala a period from 02 to 18 years had lapsed.	In acquisition of lands to the Government, the relevant process is coordinated by several institutions. As such, there were delays in the overall acquisition.	In acquisition of lands, the process of acquisition should be expedited as much as possible while taking proper measures.

3.5 Assets Management

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The Divisional Secretary of the Mawathagama Divisional Secretariat had retired on 18	An inquiry therefor is due.	(i) In the retirement of officers, the existing internal control

September 2020. However, the Tablet bearing No.S/NO-SW-5-012-147X provided to her had not been returned.

systems should be strengthened for proper and correct taking over of inventory goods.

(ii) Action should be taken in terms of the Establishments Code on the failure in correct taking over of inventory goods on the retirement of the officer.

- (b) The official quarters of the Divisional Secretariat, Mawathagama had remained idle and subject to dilapidation due to non-occupancy of the Divisional Secretary of the official quarters for a long period. Instructions for repairs and further action have been given as the official quarters were not in a position to be occupied. Appropriate measures should be taken to occupy the official quarters.
- (c) About 74 items of goods belonging to 24 categories in the Divisional Secretariat, Mawathagama had remained idle for a period of about 15 years in the No.01 old store and in the garage, at the back and inside the official quarters without being subject to Boards of Survey. Goods which could be used had been given out to officers and those which could not be used are due to be auctioned after the Board of Survey 2020. Proper action should be taken on goods remaining idle.
- (d) The day and night volleyball ground, pre-school building, community hall and the building of 26 feet in length and about 14 feet in breadth of the office premises in Udanagama of the Divisional Secretariat Division, Mawathagama, had remained idle and subject to dilapidation. A report thereon will be obtained from Technical Officers and further matters will be arranged. Prompt action should be taken to make use of the building remaining idle and subject to dilapidation.

3.6 Losses and Damages

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>A loss of Rs.5,508,631 had to be sustained by the Government from 100 projects executed through community based organizations under the “Gamperaliya” Programme due to erroneous preparation of Highway Standard Rates (RS1-017) for the Item of Work of rehabilitation of roads by laying with concrete paving blocks.</p>	<p>It is difficult to comment on this paragraph due to failure in reply by the Secretary of the North Western Provincial Council.</p>	<p>The loss sustained by the Government should be recovered.</p>

3.7 Management Weaknesses

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>(a) Out of the 73 candidates selected for the post of Multipurpose Development Office Assistant for the Kurunegala Divisional Secretariat, 49 candidates who were below the minimum level of marks that should be obtained, had been recruited to the service.</p>	<p>In issuing relevant applications through Divisional Secretariats and Grama Niladari Offices as per instructions of the Presidential Secretariat Circulars, it was adequately made aware that the age limit should be between 18 and 45.</p>	<p>Action should be taken according to circular instructions in making recruitments.</p>
<p>(b) In selecting eligible persons for the post of Multipurpose Development Office Assistant in the Divisional Secretariat, Kurunegala 10 candidates above 40 years had been recruited contrary to the newspaper advertisement of 20 January 2020.</p>	<p>The newspaper advertisement and the circulars have been issued by the Presidential Secretariat and further action has been taken on authority assigned to in terms of circulars.</p>	<p>In the scheme of recruiting eligible persons, recruitments should be made so as to avoid problematic situations.</p>
<p>(c) Even though the defect in the finger scanner of the Divisional Secretariat, Mawathagama had elapsed over a year, action had not been taken to correct it.</p>	<p>Action has been taken to purchase a new finger scanner.</p>	<p>Prompt action should be taken relating to the rise in defects in the finger scanner.</p>

- (d) Projects implemented on provision made to the Divisional Secretariat should be executed under the supervision of Technical Officers of the Divisional Secretariat as much as possible. Nevertheless, only 02 of the 194 projects assigned to the Divisional Secretariat, Mawathagama under the Sapiri Gamak Development Scheme had been implemented under the Technical Officers of the Divisional Secretariat. As such, direct contribution towards projects is not made by the two Technical Officers of the Divisional Secretariat and non-completion of projects within previously planned time frames as well had been apparent.
- (e) A sum of Rs.3,579,825 had been allocated for 03 Grama Niladari Divisions for livelihood development projects under the first stage of Grama Shakthi in the Divisional Secretariat Division, Kurunegala. Moreover, out of the said sum, loans amounting to Rs.825,000 had been granted to 59 recipients and the remaining sum of Rs.2,754,825 had not been utilized for any purpose whatsoever.
- (f) A sum of Rs.2,912,372 of the overpayment made by the Divisional Secretariat, Kurunegala to 43 pensioners as at 31 December 2020 had been further recoverable.
- (g) It was observed that the Technical Officer has illegally granted permission to remove the soil related to the spill at the right edge close to the road away from the area in which silt
- The Divisional Secretary, Mawathagama has been instructed to deploy Technical Officers in the service of development projects in a manner of maximum utilization.
- Projects should be selected in a planned manner and in the implementation thereof, they should be assigned according to a formal methodology and development projects should be implemented with the supervision of Technical Officers deployed in the service of Divisional Secretariats, as much as possible.
- As a result of the inability of commencing self-employment in the circumstances prevailing in the country, recipients had not agreed to obtain loans and had obtained them from other institutions. As such, micro finance credit facilities could be provided only to 59 persons.
- Monies allocated for livelihood development projects under the Grama Shakthi Programme should be duly provided to recipients.
- It has been informed that the sum of Rs.2,912,372 further recoverable, was being recovered from the salaries of the relevant pensioners.
- Overpayments made to pensioners should be recovered.
- When removing silt in minor irrigation reconstruction projects, action will be taken hereafter to give necessary instructions to all officers, to be carried out after a formal
- In the reconstruction of tanks, silt should be removed so as not to damage the tank.

is heavily deposited using backhoes for increasing the profit of the sub-contractor who reconstructed the Kalawana Wewa of the Polpithigama Divisional Secretariat Division. Excavations more than a metre in depth very close to the tank bund had resulted in damaging the tank bund.

inspection for identifying the thickness of the silt layer.

3.8 Deviation from Cabinet Decisions

Audit Observation	Comments of the Accounting Officer	Recommendation
In payment of the benefit amounting to Rs.5,000 for families finding difficulty in maintaining day-to-day life due to Covid 19, only the difference between the Samurdhi subsidy granted monthly and the sum of Rs.5,000 should be paid. However, both the Samurdhi subsidy and the allowance of Rs.5,000 had been paid contrary to the Cabinet Decision No.20/0796/212/015-1 of 14 May 2020. Accordingly, an overpayment of Rs.424,346,960 had been paid to 173,316 permanent Samurdhi beneficiaries.	Instructions including Cabinet Decision No.20/0796/212/015-1 of 14 May 2020 had not been received to the District Secretary. According to circulars of the Director General of Samurdhi Development, subsidy loans for the month of April has been paid as social benefits for the month of May.	Payments should be made as per the Cabinet Decision.

4. Achievement of Sustainable Development Goals

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Even though a sum of Rs.67.3 million had been allocated for 22 programmes in the year 2020, no progress could be noted. Moreover, 12 programmes mentioned in the Action Plan relating to the year	When provision was received to the District Secretariat, the public/clients could not be gathered due to the Corona pandemic situation.	Sustainable Development Goals should be implemented as much as possible according to the Action Plan.

2020 had not been implemented in the year 2020.

- (b) In consideration of the progress relating to the year 2020, the financial and physical progress of 16 programmes had represented a percentage less than 50 per cent. Moreover, 08 programmes totalling Rs.23.4 million not included under sustainable development goals of the year 2020, had been implemented.
- Eight new programmes had to be implemented due to special requirements.
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5. Good Governance

5.1 Rendering of Services to the Public

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The web sites of the District Secretariat, Kurunegala and Divisional Secretariats had not been designed in a manner to facilitate acceptance of public complaints.	The activities of this web site are carried out by the State Ministry of Home Affairs and the officers of the Ministry have been notified of the deficiencies thereof.	Web sites should be designed in such a manner to facilitate acceptance of public complaints.
(b) Sub-contractors had been made to carry out contracts relating to reconstruction projects of tanks, awarded on Direct Method in the Divisional Secretariat, Polpithigama with or without various effects. Activities had not been carried out adequately as compared with the amount spent. The disapproval on the irregular nature of Government actions were expressed by residents of the area.	In executing projects, sub-contracts had to be awarded as funds were inadequate.	(i) Provision received should be utilized for projects so as to be useful as much as possible to the public. (ii) Action should be taken in terms of provisions in Public Finance Circular No.01/2012.

6. Human Resource Management

The following observation is made.

Audit observation	Comments of the Accounting Officer	Recommendation
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There was an excess cadre of 09 officers for posts of Sinhala/English Translator and one officer for the post of English/Tamil Translator.	The said officers are not in the approved cadre of these secretariats and serve in the Divisional Secretariats on the attachments made by the Ministry in certain instances.	Action should be taken to transfer the excess cadre to Government institutions with vacancies in the cadre.